

John T. Shively
2301 Loren Circle
Anchorage, AK 99516

The Honorable John W. Sedwick
Chief U.S. District Judge
222 West Seventh Avenue, #4
Anchorage, AK 99513

September 17, 2009

Dear Judge Sedwick:

This letter is written on behalf of Bill Allen. Bill and I first became acquainted in the late 1970's when he approached the company I worked for - NANA Development Corporation - about the possibility of VECO and NANA working jointly on some projects relating to the North Slope oilfields. Bill believed a Native Corporation such as NANA could be a part of the economic activity on the North Slope. As a result of Bill's foresight, NANA and VECO had numerous successful joint business ventures over the years.

When I think back about Bill, I have to say he is somewhat of an enigma. He became an extremely successful businessman - a multi-millionaire - but I don't think he ever forgot that that he came from a very poor background. He is a person with very limited formal education. He didn't go to a fancy prep school, and he didn't go to college. He learned by doing and getting things done. He decided where he wanted to go and then set about getting there, and in the end that philosophy was probably his undoing.

As Bill and VECO became more successful, Bill worked to develop a role in the political arena. I believe that Bill decided to take an active role in politics both as a marketing tool for VECO and also because he truly enjoyed being around politicians and being involved with influencing public policy. He had strong feelings for Alaska and about Alaska's economy. He knew what drives the Alaska economy, and that is oil. In the political arena Bill's major focus was on the oil industry. He wanted to see the oil industry succeed.

Basically, Bill's philosophy was that what was good for the oil industry was good for Alaska and good for VECO. Bill believed strongly that the state should have a reasonable tax policy for the industry if the state wanted to encourage that industry to continue to support the state in the style to which Alaska's citizens have become accustomed.

The debate over oil tax policy in 2008 led to most of the events that has Bill Allen before your court. There is no question that Bill did things that were wrong, and I am not writing this letter to argue that there should be no punishment. However, I do think that there are

circumstances worthy of the court's consideration in determining what an appropriate punishment should be.

The first thing I would like to point out is that Bill changed after his motorcycle accident. I do not know the medical particulars, but he changed. His ability to think clearly and quickly was diminished, and he was not able to communicate as he once did.

To be frank, Bill needed better help than he got when he was in Juneau. His primary advisor was Rick Smith, and I do not believe Rick was the right person for the job. He is not a strategic or political thinker, nor is he someone who would stand up to Bill or help him stay out of trouble.

I think that, if Bill had gotten better advice, some these incidents might have never happened. For instance I know Bill to be very generous person. Some pundits have made much of the fact that the amounts involved in the events were so small. I believe that Bill's "gifts" were more based on how he treated friends than on his attempt to buy a legislator's vote. In at least one case, the "gift" was to a legislator who had never voted for higher taxes in his entire career. Had he wanted to bribe legislators in the manner that most often becomes public, the amounts should have been much higher.

That is not to say that Bill didn't want his friends in the legislature to vote the way he thought best. His quest for those votes was why he spent so much time in Juneau.

However, I do not believe that Bill sat down and said, "If I give this money or this gift or this job to these people, they will do exactly what I want." Opportunities arose from time to time to grant favors outside the law. Whether the public official asked for the favor or just agreed to take it, the important thing to keep in mind about what happened is that in the end these people all accepted the favors.

I have been Chief of Staff to a Governor and Commissioner of the Department of Natural Resources, two positions where I had influence on what happened with the oil industry. During my tenure in these positions Bill and I had many discussions about public policy, and we didn't always agree. However, despite, or, I believe, because of, our friendship, he never demanded anything of me.

I know Bill to be a generous person. He was active in the business community and gave to many charities. After his heart problem, he and the VECO senior management team made a major effort to raise money for the Heart Association. On several occasions I participated in a charitable bicycle ride for the Lung Association, and Bill and VECO were very generous in their support of me.

Also, whenever Bill attended charitable events, he was an active and generous bidder if there was an auction. It is true that Bill did very well in Alaska, but he never hesitated to give back to the community when it came to supporting worthy causes. I attribute at least some of this generosity to Bill remembering some of difficulties he faced early on in life.

I think it is worth mentioning the current state of money and politics in our country. First, I don't think anyone can honestly deny that large donors to campaigns get "large" access to the politicians to whom they donate.

There are activities which take place within the law that I find at the very least distasteful, perhaps, even reprehensible. For instance, I think allowing federal politicians to have their own political action committees (PACs) is an absolute public outrage. Both Newt Gingrich and Nancy Pelosi said they were going to clean up ethical issues in Congress. If either one of them had been serious about that concern, I believe that the first thing they should have done was to outlaw this political loophole that allows our federal office holders (or even federal office hopefuls) to raise money that they can legally distribute to others or use to help themselves.

Thus, sitting federal legislators are permitted (and it is my understanding required by the congressional leadership of each party) not only to raise money for their own campaigns, but then to return to the same donors for funds for their PACs. They then pass this money out to the candidates of their choosing, sometimes receiving donations back from the PACs of the candidates they have supported.

What does this have to do with Bill Allen? Well the system I have described above washes millions of dollars through the electoral process. So what Bill with much smaller sums turns out to be illegal. However, one might ask, "Which situation is the bigger threat to democracy?"

So does the system work on money? Absolutely. Are campaign contributions and contributions for political actions committees a form of bribe? That's a question to which the legislative bodies whose members benefit from these kinds of contributions have determined that the answer is, "No."

In Alaska lots of people participate in attempting to influence government. Many of us give campaign contributions and sponsor fundraisers or plant yard signs in front of our homes, all of which Bill did, and all of which is perfectly legal. However, Bill went beyond that threshold, and that brings him before this court.

We know that several legislators are in various states of legal limbo as a result of the investigation involving Bill's activities and that juries have found various levels of misconduct. The court has levied sentences for the crimes committed by these legislators and will probably be levying other sentences in the future.

It is now time to consider what an appropriate sentence is for Bill. I am not sure what a just punishment is, but I have some thoughts about points the court might want to consider when determining the sentence. Clearly Bill is going to go to prison. I think he should go to prison. For how long is the question before the court. The court needs to send a message that the kind of activity Bill engaged in is wrong. However, I believe that the court should take into account the punishment Bill has already endured. He has had

to sell his business, leave the place he called home for over forty years, lost his reputation, and the life he had built from scratch.

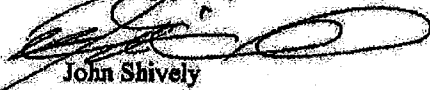
Bill gave, some people took. One has to ask, "Which is the greater crime? Or is there really any difference between the two?"

As a former public official, I believe that "taking" is the greater crime. As a public official one is expected to uphold the public trust and to know when one is crossing the ethical, or in this case legal, line. Thus, I believe that the greater punishment should go to those who may have asked for favors from Bill, but at the very least were unable to say the simple word "No."

Since the court has already established a sentencing regime for the "takers," it is my belief that the court should be no more severe in sentencing the "giver."

Thank you for your consideration.

Sincerely yours,



John Shively

The Honorable John W. Sedwick
Chief United District Judge
222 West Seventh Avenue, #4
Anchorage, AK 95513

August 29, 2009

I have known Bill Allen since 1987. Bill Allen has always had one goal in mind, the success of the state of Alaska. Bill always preached to us that Alaska gave him the opportunity to become successful and he wanted to respect that. When talk of leaving the state was approached he often said he could never leave Alaska, it was his home.

Bill has always been a worker, he believes that work and employment equals success. His main goal in life was to keep Alaska strong and productive by keeping Alaskans employed and industries strong. He did what he thought he could to accomplish this goal.

Bill Allen is an American success story and should be celebrated. I don't need to recap his story of rags to riches as I am confident you are aware of it. His commitment to his family and friends is unmatched. He believes in education and is willing to support almost anyone who has the fortitude to take on the challenge of higher education, myself included. Bill encouraged me and gave me the opportunity to go back to college and get a degree in engineering. There was no free ride with Bill, he expected an honest days work for an honest days pay, and I spent my summers in Prudhoe Bay away from my family working for VECO.

He is a good man who unfortunately started running with the wrong crowd. He would never have arrived at his current state of affairs if his advances had been deemed undesirable and not welcomed with open arms.

Please consider the large amounts of money he and his company raised for charity, for every dollar he and his employees are accused of inappropriately donating towards politics, they donated 100 times that to charities. His commitment and contributions to United Way were phenomenal.

Thank You



Bill West
Bellingham WA

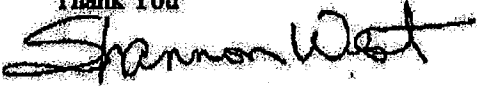
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August 29, 2009

My name is Shannon, I'm the oldest of three kids. We are a very close family; my dad has always been there for all of us. When we were growing up he worked very hard for his family. Alaska was his home; He said Alaska has been good to him so he always tried to give back to Alaska. On a trip to Russia, he saw a little boy there and he was in a wheel chair that saw it was old and broken, so my father out of sheer kindness went down and bought him a new one knowing his family couldn't afford it. That is what my dad does, He is a giving man. My Dad has a big heart and would do anything for his family and his friends.

One year ago I found out I had Breast Cancer, I endured 8 months chemo & radiation. Just recent I had the gene test done and found out that I am at high risk of reoccurrence, the next step is to have a Double Mastectomy. My father has been my strength though it all despite his own troubles. It breaks my heart to see him tormented by those that don't know him for the man he is. With all that I and my family have been thru we are stronger then ever because we have each other. Thank you for giving me a chance to tell you about my Dad.

Thank You



Shannon West
Bellingham WA